

# House File 2360 - Introduced

HOUSE FILE 2360  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HF 559)

## A BILL FOR

1 An Act establishing a transportation cost supplement program  
2 for school districts, authorizing the imposition of a  
3 transportation cost supplement property tax and income  
4 surtax, and including applicability provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 275.12, subsection 5, Code 2014, is  
2 amended to read as follows:

3 5. The petition may also include a provision that the  
4 voter-approved physical plant and equipment levy provided in  
5 section 298.2, the transportation cost supplement program  
6 provided in section 298.17, or both will be voted upon at the  
7 election conducted under section 275.18.

8 Sec. 2. Section 275.20, Code 2014, is amended to read as  
9 follows:

10 **275.20 Separate vote in existing districts.**

11 The voters shall vote separately in each existing school  
12 district affected and voters residing in the entire existing  
13 district are eligible to vote upon the proposition to create  
14 a new school corporation and, if provided for in the petition  
15 under section 275.12, subsection 5, the proposition to levy  
16 the voter-approved physical plant and equipment levy under  
17 section 298.2, if the petition included a provision for a vote  
18 to authorize the levy the proposition to participate in the  
19 transportation cost supplement program under section 298.17, or  
20 both. If a proposition receives a majority of the votes cast  
21 in each of at least seventy-five percent of the districts, and  
22 also a majority of the total number of votes cast in all of the  
23 districts, the proposition is carried.

24 Sec. 3. Section 298.14, unnumbered paragraphs 1 and 2, Code  
25 2014, are amended to read as follows:

26 For each fiscal year, the cumulative total of the percents of  
27 surtax approved by the board of directors of a school district  
28 and collected by the department of revenue under sections  
29 257.21, 257.29, ~~and 298.2,~~ and 298.17, and the enrichment  
30 surtax under section 442.15, Code 1989, and an income surtax  
31 collected by a political subdivision under chapter 422D, shall  
32 not exceed twenty percent.

33 A school district income surtax fund is created in the  
34 office of treasurer of state. Income surtaxes collected by the  
35 department of revenue under sections 257.21, 257.29, ~~and 298.2,~~

1 and 298.17, and section 442.15, Code 1989, shall be deposited  
2 in the school district income surtax fund to the credit of each  
3 school district. A separate accounting of each surtax, by  
4 school district, shall be maintained.

5     Sec. 4. NEW SECTION. 298.17 Transportation cost supplement  
6 program — election.

7     1. *a.* A transportation cost supplement program is  
8 established to provide additional funding for school districts  
9 in which the district transportation costs per pupil exceed the  
10 state average transportation costs per pupil, as those amounts  
11 are determined under section 257.31, subsection 17, paragraph  
12 “c”.

13     *b.* The board of directors of a school district that  
14 satisfies the criteria of paragraph “a”, may direct the  
15 county commissioner of elections to submit the question of  
16 participation in the transportation cost supplement program to  
17 the registered voters of the school district at an election  
18 held on a date specified in section 39.2, subsection 4,  
19 paragraph “c”. The question submitted to the voters of the  
20 school district shall specify the period of consecutive years  
21 that the school district may participate in the program,  
22 if otherwise eligible under paragraph “a”, not to exceed  
23 ten consecutive years. If a majority of those voting on  
24 the question favors participation in the program, the board  
25 shall adopt a resolution to participate and shall certify the  
26 results of the election to the department of management and the  
27 district shall participate in the program. If a majority of  
28 those voting on the question does not favor participation, the  
29 district shall not participate in the program.

30     2. The transportation cost supplement program shall provide  
31 additional revenues each fiscal year not to exceed an amount  
32 equal to the district’s actual enrollment used to calculate  
33 the district’s average transportation costs per pupil under  
34 section 257.31, subsection 17, paragraph “c”, multiplied by  
35 the remainder of the district’s average transportation costs

1 per pupil minus the state average transportation costs per  
2 pupil, as those amounts are determined under section 257.31,  
3 subsection 17, paragraph "c". However, such resulting amount  
4 shall be reduced by the amount of transportation assistance  
5 aid received by the district under section 257.31, subsection  
6 17, for the same budget year, as defined in section 257.2, if  
7 applicable. Certification of a district's participation for a  
8 budget year, the method of funding, and the amount to be raised  
9 shall be made to the department of management not later than  
10 April 15 of the base year, as defined in section 257.2.

11 3. The transportation cost supplement program shall be  
12 funded by either a transportation cost supplement property  
13 tax or by the combination of a transportation cost supplement  
14 property tax and a transportation cost supplement income  
15 surtax. The method of raising the transportation cost  
16 supplement program moneys shall be determined by the board.  
17 Subject to the limitation in section 298.14, if the board  
18 uses a combination of a transportation property tax and a  
19 transportation cost supplement income surtax, the board shall  
20 determine the percent of income surtax to be imposed, expressed  
21 as full percentage points, not to exceed twenty percent.

22 4. The department of management shall establish the amount  
23 of the transportation cost supplement property tax to be levied  
24 or the amount of the combination of the transportation cost  
25 supplement property tax to be levied and the amount of the  
26 transportation cost supplement income surtax to be imposed for  
27 each school year that the transportation cost supplement amount  
28 is authorized and the school district eligible under subsection  
29 1, paragraph "a". The transportation cost supplement property  
30 tax and income surtax, if an income surtax is imposed, shall be  
31 levied and imposed, collected, and paid to the school district  
32 in the manner provided for the instructional support program in  
33 sections 257.21 through 257.26.

34 5. Revenues received by a school district from a  
35 transportation cost supplement property tax or income surtax

1 imposed under this section shall be deposited in the general  
2 fund of the school district and expended only for the cost  
3 of repairing, maintaining, and fueling school district  
4 transportation equipment and school buses, as defined in  
5 section 321.1, subsection 69. Revenues received by a school  
6 district under this section are miscellaneous income.

7 6. Except for an adjustment in the total amount authorized  
8 to be collected under subsection 2, participation in the  
9 transportation cost supplement program under this section shall  
10 not affect a school district's eligibility for transportation  
11 assistance under section 257.31, subsection 17.

12 7. Once approved at an election, the authority of the  
13 board to use the transportation cost supplement program  
14 shall continue, subject to the period of years authorized at  
15 election, until the board votes to discontinue the program or  
16 the voters of the school district by majority vote order the  
17 discontinuance of the program. The board shall submit at an  
18 election held on a date specified in section 39.2, subsection  
19 4, paragraph "c", the question of whether to discontinue the  
20 program upon the receipt of a petition signed by not less than  
21 one hundred eligible electors or thirty percent of the number  
22 of electors voting at the last preceding school election,  
23 whichever is greater.

24 8. Participation in the transportation cost supplement  
25 program is not affected by a change in the boundaries of the  
26 school district. If each school district involved in a school  
27 reorganization under chapter 275 has approved a transportation  
28 cost supplement program, and if the voters have not voted upon  
29 the question of participation in the program in the reorganized  
30 district, the program shall be in effect for the reorganized  
31 district that has been approved for the least amount and the  
32 shortest time in any of the districts.

33 Sec. 5. APPLICABILITY. This Act applies to school budget  
34 years beginning on or after July 1, 2015.

35 EXPLANATION

1           The inclusion of this explanation does not constitute agreement with  
2           the explanation's substance by the members of the general assembly.

3       This bill establishes a transportation cost supplement  
4 program to provide additional funding for school districts  
5 in which the district transportation costs per pupil exceed  
6 the state average transportation costs per pupil. Under the  
7 bill, the board of directors of such a school district may  
8 direct the county commissioner of elections to submit the  
9 question of participation in the program to the registered  
10 voters of the school district. The question submitted to the  
11 voters shall specify the period of consecutive years that the  
12 school district may participate in the program not to exceed 10  
13 consecutive years.

14       The transportation cost supplement program provides  
15 additional revenue each fiscal year not to exceed an amount  
16 equal to the district's actual enrollment used to calculate  
17 the district's average transportation costs, multiplied by  
18 the remainder of the district's average transportation costs  
19 per pupil minus the state average transportation costs per  
20 pupil. This amount is required to be reduced by the amount of  
21 transportation assistance aid received by the district under  
22 current Code section 257.31(17), if any, for the same budget  
23 year.

24       The bill authorizes the transportation cost supplement  
25 program to be funded by either a transportation cost supplement  
26 property tax or by the combination of a transportation cost  
27 supplement property tax and a transportation cost supplement  
28 income surtax. An income surtax imposed as part of the  
29 transportation cost supplement program is subject to the 20  
30 percent cumulative income surtax cap under Code section 298.14.

31       Revenues received by a school district from a transportation  
32 cost supplement property tax or income surtax shall be  
33 deposited in the general fund of the school district and  
34 expended only for the cost of repairing, maintaining, and  
35 fueling school district transportation equipment and school

1 buses, as defined in Code section 321.1(69). Revenues received  
2 by a school district under this section are miscellaneous  
3 income.

4 The bill provides that the transportation cost supplement  
5 program may be discontinued by either school board action or  
6 by petition and election and includes provisions relating to  
7 participation in the transportation cost supplement program by  
8 school districts involved in a school reorganization under Code  
9 chapter 275.

10 The bill applies to school budget years beginning on or after  
11 July 1, 2015.